

The Senate Education and Youth Committee offered the following substitute to HB 208:

A BILL TO BE ENTITLED
AN ACT

To amend Code Section 20-2-86 of the Official Code of Georgia Annotated, relating to operation of school councils, so as to delete language relating to membership on the school council; to provide that the parent members make up a majority on the school council; to provide that the chairperson shall be a parent member; to provide for transition; to amend Code Section 20-2-290 of the Official Code of Georgia Annotated, relating to organization of schools under the "Quality Basic Education Act," so as to authorize the employment of school administrative managers to conduct the financial and business affairs of a school; to amend Article 31 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to charter schools, so as to enact the "Charter Systems Act"; to provide for legislative findings; to provide for the establishment of charter systems; to revise and add definitions; to provide for the establishment of the Charter Advisory Committee; to provide for requirements for petitions for charter systems; to revise certain provisions relating to the approval or denial of a charter petition; to revise certain provisions relating to the review of charters; to provide for terms and renewals of charter systems; to provide for waivers and operating requirements, control, and management for charter systems; to provide for termination of charter systems; to revise certain provisions relative to funding of charter schools; to change certain provisions relative to the Office of Charter School Compliance; to revise provisions for purposes of conformity; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

PART I

SECTION 1-1.

Code Section 20-2-86 of the Official Code of Georgia Annotated, relating to operation of school councils, is amended by revising subsections (c), (d), (e), and (j) as follows:

"(c) ~~Membership on the council shall be open to teachers, parents, and business representatives selected from all businesses that are designated school business partners.~~

Any member may withdraw from the council by delivering to the council a written resignation and submitting a copy to the secretary of the council or school principal. Should school councilmembers determine that a member of the council is no longer active in the council as defined by the bylaws of the council, the council may, by a majority vote, withdraw such person's membership status, effective as of a date determined by the council.

(d) The property and business of the council shall be managed by a minimum of seven school councilmembers of whom a majority shall constitute a quorum. The number of councilmembers shall be specified in the council's bylaws. ~~If the number of councilmembers exceeds seven, the number of parent members and teacher members must be equal.~~ Members of the school council shall include:

(1) ~~At least two~~ A number of parents or guardians of students enrolled in the school, excluding employees who are parents or guardians of such students, so that such parents or guardians make up a majority of the council and at least two of whom shall be businesspersons;

~~(2) Two businesspersons;~~

~~(3)~~(2) At least two certificated teachers, excluding any personnel employed in administrative positions, who are employed at least four of the six school segments at the school;

~~(4)~~(3) The school principal; and

~~(5)~~(4) Other members as specified in the council's bylaws, such as, but not limited to, students, staff, and representatives of school related organizations. Other businesspersons from the local business community may serve on the council and shall be selected by the other members of the school council. Selection procedures for these members and the business members shall be specified in the council's bylaws.

An employee of the local school system may serve as a parent representative on the council of a school in which his or her child is enrolled if such employee works at a different school. With the exception of the principal and the business representatives, members shall be elected by, and from among, the group they represent.

(e) Members of the council shall serve for a term of two years or for such other term as may be specified in the council's bylaws, except as provided in this subsection. ~~Upon the expiration of the terms of the councilmembers in office on July 1, 2004, the subsequent~~ The terms of the councilmembers shall be staggered. ~~In order to stagger the terms, the initial terms of one-half of the councilmembers pursuant to paragraph (1) of subsection (d) of this Code section, one-half of the councilmembers pursuant to paragraph (2) of subsection (d) of this Code section, one-half of the councilmembers pursuant to paragraph (3) of subsection (d) of this Code section, and one-half of the councilmembers pursuant to~~

paragraph (5) of subsection (d) of this Code section shall have initial terms of one year and the remaining members shall have initial terms of two years. Upon the expiration of the terms of the two businessperson councilmembers in office on July 1, 2007, these member positions shall subsequently be filled by parent councilmembers; provided, however, that additional businesspersons may serve on the council if provided for in the council's bylaws in accordance with paragraph (4) of subsection (d) of this Code section. Councilmembers may serve more than one term. The office of school councilmember shall be automatically vacated:

(1) If a member shall resign;

(2) If the person holding the office is removed as a member by an action of the council pursuant to this Code section; or

(3) If a member no longer meets the qualifications specified in this Code section.

An election within the electing body for a replacement to fill the remainder of an unexpired term shall be held within 30 days, unless there are 90 days or less remaining in the term in which case the vacancy shall remain unfilled."

"(j)(1) The officers of the school council shall be a chairperson, vice chairperson, and secretary. Officers of the council shall be elected by the council at the first meeting of the council following the election of school councilmembers; provided, however, that the chairperson shall be a parent member. The officers of the council shall hold office for the term specified in the council's bylaws.

(2) The vice chairperson shall, in the absence or disability of the chairperson, perform the duties and exercise the powers of the chairperson and shall perform such other duties as shall be required by the council.

(3) The secretary shall attend all meetings, act as clerk of the council, and be responsible for recording all votes and minutes of all proceedings in the books to be kept for that purpose. The secretary shall give or cause to be given notice of all meetings of the council and shall perform such other duties as may be prescribed by the council."

SECTION 1-2.

Code Section 20-2-290 of the Official Code of Georgia Annotated, relating to organization of schools under the "Quality Basic Education Act," is amended by revising subsection (a) as follows:

"(a)(1) The board of education of any local school system is authorized to organize or reorganize the schools and fix the grade levels to be taught at each school in its jurisdiction. Local school systems which have organized their schools in such a manner that facilities house grades six, seven, and eight or grades seven and eight shall qualify for the middle school program for students in grade levels so housed. A school which

houses grades other than six, seven, or eight shall only be eligible if it has a full-time principal for grades seven and eight or six, seven, and eight and another full-time principal for grades above or below the middle school grades; provided, however, that such schools also meet all other provisions of this Code section. Schools with students in the sixth grade shall not be eligible for the middle school program if the sixth grades are not housed in middle schools which also contain both grades seven and eight. Further, two or more adjacent local school systems shall qualify for the middle school program if through their contractual arrangement they jointly meet the requirements of this Code section and the criteria and standards prescribed by the state board.

(2) The board of education of any local school system shall be authorized to employ school administrative managers in lieu of or in addition to assistant principals. Such school administrative managers shall not be required to be certificated by the Professional Standards Commission but shall have such qualifications as determined by the local board with a minimum requirement of a bachelor's degree. The duties of school administrative managers shall be to oversee and manage the financial and business affairs of the school. The principal shall retain authority over the curriculum and instructional areas. The school administrative manager shall report directly to the principal. In the event that a local board considers hiring or utilizing school administrative managers pursuant to this subsection, it shall receive and give all due consideration to recommendations by the school council as to whether or not to utilize such position and as to selection of the manager. Existing employees of the local board shall be eligible to serve as school administrative managers if they meet other qualifications and requirements established by the local board for such position. For purposes of earning funds for such positions, school administrative managers shall be treated in all respects the same as assistant principals."

PART II

SECTION 2-1.

This Part shall be known and may be cited as the "Charter Systems Act."

SECTION 2-2.

The General Assembly finds that schools and school systems should be given high flexibility to tailor their educational programs to meet the unique needs of their communities. In furtherance of this, schools and school systems should be encouraged to use innovative educational programs including local management of schools and should be provided resources to help design and implement innovative programs. The General Assembly further finds that schools and school systems shall be held accountable for student achievement.

SECTION 2-3.

Article 31 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to the "Charter Schools Act of 1998," is amended in Code Section 20-2-2062, relating to definitions, by revising paragraphs (1), (2), (8), and (11), by renumbering paragraph (5.1), and by inserting new paragraphs (3.1), (5.1), (12.1), and (17), as follows:

"(1) 'Charter' means a performance based contract between a local board and a charter petitioner, the terms of which are approved by the local board and by the state board in the case of a local charter school, ~~or~~ between the state board and a charter petitioner, the terms of which are approved by the state board in the case of a state chartered special school, or between a local board and the state board, the terms of which are approved by the state board in the case of a charter system. By entering into a charter, a charter petitioner and local board shall be deemed to have agreed to be bound to all the provisions of this article as if such terms were set forth in the charter."

"(2) 'Charter petitioner' means a local school, local board of education, private individual, private organization, or state or local public entity that submits a petition for a charter. The term 'charter petitioner' does not include home study programs or schools, sectarian schools, religious schools, private for profit schools, private educational institutions not established, operated, or governed by the State of Georgia, or existing private schools."

"(3.1) 'Charter system' means a local school system that is operating under the terms of a charter pursuant to Code Section 20-2-2063.1."

"(5.1) 'Governing council' means a school level council of parents, teachers, administrators, and others who are involved in school level governance within a charter system."

~~(5.1)~~(5.2) 'High school cluster' means a high school and all of the middle and elementary schools which contain students who matriculate to such high school. The schools in a high school cluster may include charter schools, local schools, or a combination of both."

"(8) 'Local revenue' means local taxes budgeted for school purposes in excess of the local five mill share, combined with any applicable equalization grant and budgeted revenues from any of the following: investment earnings, unrestricted donations, and the sale of surplus property; but exclusive of revenue from bonds issued for capital projects, revenue to pay debt service on such bonds; and local option sales tax for capital projects, ~~and budgeted school food service program costs~~. Nothing in this paragraph shall be construed to prevent a local board from including a local charter school in projects specified in the ballot language of a local option sales tax or bond referendum."

"(11) 'Petition' means a proposal to establish a charter school or a charter system."

"(12.1) 'School level governance' means decision-making authority in personnel decisions, financial decisions, curriculum and instruction, resource allocation,

establishing and monitoring the achievement of school improvement goals, and school operations."

"(17) 'System charter school' means a school within a charter system."

SECTION 2-4.

Said article is further amended in Code Section 20-2-2063, relating to minimum requirements for charter petitions, by adding a new subsection to the end of such Code section as follows:

"(d) The State Board of Education shall establish rules, regulations, policies, and procedures to provide for a charter petition from a local school system to establish a charter system. Such rules, regulations, policies, and procedures shall require that a charter petition and the charter contain an explanation of the structure, rights, and responsibilities of the principal, governing council, and local board of education of the system charter school, with an objective of maximizing school level governance and the involvement of parents, teachers, and community members in such governance."

SECTION 2-5.

Said article is further amended by adding new Code sections as follows:

"20-2-2063.1.

(a) The state board shall establish a Charter Advisory Committee to review charter petitions for compliance with established standards of the state board, to make recommendations to the state board on charter policy, and to provide recommendations to the state board regarding charter petitions. The committee shall be composed of nine members as follows:

(1) Three members appointed by the chairperson of the state board;

(2) Three members appointed by the Lieutenant Governor; and

(3) Three members appointed by the Speaker of the House of Representatives.

All members shall serve at the pleasure of their respective appointing officials. The committee shall elect a chairperson from among its membership.

(b) The committee shall conduct itself in accordance with any rules and guidelines established by the state board with regard to timeframes, procedures, and protocol.

(c) The committee shall be authorized to request clarifying information from a charter petitioner and to receive input from interested parties on a charter petition.

(d) The committee shall:

(1) Make recommendations to the state board of approval or denial on each charter petition and shall specify the reasons for such recommendations; and

(2) Periodically make recommendations to the state board regarding charter policy;

(3) Make recommendations to the state board on the disbursement of planning grants for charter systems, if funds are made available.

(e) The committee shall be authorized to enter into contracts, subject to available funding, with one or more consultants to assist the committee in its duties and if directed to do so by the committee, to do the following:

(1) Assist charter petitioners in the drafting of their petitions;

(2) Assist charter petitioners in the design and implementation of innovative education programs and school level governance based on research, model programs, or other credible information;

(3) Monitor and assist charter schools and charter systems; and

(4) Perform any other functions related to the support of the committee.

(f) The committee shall work in cooperation with the Office of Charter School Compliance, as established pursuant to Code Section 20-2-2069.

(g) The members of the committee shall receive no compensation for their services but shall be reimbursed for actual and necessary expenses incurred by them in carrying out their duties.

(h) The committee shall be assigned to the Department of Education for administrative purposes only, as prescribed in Code Section 50-4-3.

20-2-2063.2.

(a) The state board shall be authorized to enter into a charter with a local board to establish a local school system as a charter system.

(b) A local board seeking to create a charter system must submit a petition to the state board. Prior to submitting such petition, the local board shall:

(1) Adopt a resolution approving the proposed charter system petition;

(2) Conduct at least two public hearings and provide notice of the hearings in the same manner as other legal notices of the local board; and

(3) Send a notice to each principal within the local school system of the hearings with instructions that each school shall distribute the notice to faculty and instructional staff members and to the parent or guardian of each student enrolled in the school.

The local board may revise its proposed charter system petition, upon resolution, as a result of testimony at the public hearings or for other purposes.

(c) Prior to approval or denial of a charter petition for a charter system, the state board shall receive and give all due consideration to the recommendation and input from the Charter Advisory Committee established in Code Section 20-2-2063.1. The state board shall approve the charter if the state board finds, after receiving input from the Charter Advisory Committee, that the petition complies with the rules, regulations, policies, and

1 procedures promulgated pursuant to Code Section 20-2-2063 and the provisions of this
2 title, is in the public interest, and promotes school level governance.

3 (d) All schools within an approved charter system shall be system charter schools except
4 as otherwise provided in subsections (f) and (g) of this Code section.

5 (e)(1) Subject to appropriations by the General Assembly or other available funding, the
6 state board, after receiving input and recommendations from the Charter Advisory
7 Committee, shall disburse planning grants to local school systems which desire to
8 become charter systems. Such grants will be disbursed in accordance with any applicable
9 guidelines, policies, and requirements established by the state board.

10 (2) Subject to specific appropriations by the General Assembly for this purpose, the state
11 board shall disburse implementation grants in the amount of \$125,000.00 or such other
12 amount as determined by the state board to each charter system. The state board shall be
13 authorized to approve up to five petitions for charter systems during fiscal year 2008, and
14 may approve up to a maximum number of petitions in following years as may be
15 established pursuant to board rules and as subject to availability of funding for
16 implementation grants.

17 (f) A system charter school shall not be precluded from petitioning to become a conversion
18 charter school, in accordance with Code Section 20-2-2064, not subject to the terms of the
19 system charter. In the event a system charter school becomes a conversion charter school,
20 the system charter shall be amended to reflect that such school is no longer bound by the
21 system charter.

22 (g) An existing conversion or start-up charter school within a local school system which
23 is petitioning to become a charter system shall have the option of continuing under its own
24 existing charter, not subject to the terms of the system charter, or of terminating its existing
25 charter, upon agreement by the local board and state board, and becoming subject to the
26 system charter as a charter system school."

27 **SECTION 2-6.**

28 Said article is further amended by revising Code Section 20-2-2064, relating to approval or
29 denial of petition, as follows:

30 "20-2-2064.

31 (a) A charter petitioner seeking to create a conversion charter school must submit a
32 petition to the local board of the local school system in which the proposed charter school
33 will be located. The local board must by a majority vote approve or deny a petition no later
34 than 60 days after its submission unless the petitioner requests an extension; provided,
35 however, that a denial of a petition by a local board shall not preclude the submission to
36 the local board of a revised petition that addresses deficiencies cited in the denial; and

provided, further, that the local board shall not act upon a petition for a conversion charter school until such petition:

(1) Has been freely agreed to, by secret ballot, by a majority of the faculty and instructional staff members of the petitioning local school at a public meeting called with two weeks' advance notice for the purpose of deciding whether to submit the petition to the local board for its approval; and

(2) Has been freely agreed to, by secret ballot, by a majority of parents or guardians of students enrolled in the petitioning local school present at a public meeting called with two weeks' advance notice for the purpose of deciding whether to submit the petition to the local board for its approval.

This subsection shall not apply to a system charter school petitioning to be a conversion charter school.

(b) A charter petitioner seeking to create a start-up charter school must submit a petition to the local board of the local school system in which the proposed charter school will be located. The local board must by a majority vote approve or deny a petition no later than 60 days after its submission unless the petitioner requests an extension. A denial of a petition by a local board shall not preclude the submission to the local board of a revised petition that addresses deficiencies cited in the denial.

(c) A system charter school's school council or governing council, as applicable, may petition to become a conversion charter school. The petition shall be submitted to the local board of the charter system in which the school is located. The local board must by a majority vote approve or deny a petition no later than 60 days after its submission unless the petitioner requests an extension; provided, however, that a denial of a petition by a local board shall not preclude the submission to the local board of a revised petition that addresses deficiencies cited in the denial.

~~(c)~~(d) A local board shall approve a petition that complies with the rules, regulations, policies, and procedures promulgated in accordance with Code Section 20-2-2063 and the provisions of this title and is in the public interest. If a local board denies a petition, it must within 60 days specifically state the reasons for the denial, list all deficiencies with respect to Code Section 20-2-2063, and provide a written statement of the denial to the charter petitioner and the state board.

~~(d)~~(e) The state board or the Charter Advisory Committee, if directed by the state board to do so, may mediate between the local board and a charter petitioner whose petition was denied to assist in resolving issues which led to denial of the petition by the local board."

SECTION 2-7.

Said article is further amended by revising Code Section 20-2-2064.1, relating to review of charter by state board, as follows:

"20-2-2064.1.

(a) Prior to approval or denial of a charter petition under this Code section, the state board shall receive and give all due consideration to the recommendation and input from the Charter Advisory Committee established in Code Section 20-2-2063.1.

(b) The state board shall approve the charter of a charter petitioner if the petition has been approved by the local board of the local school system in which the proposed charter school will be located and the state board finds after receiving input from the Charter Advisory Committee, that the petition complies with the rules, regulations, policies, and procedures promulgated in accordance with Code Section 20-2-2063 and the provisions of this title and is in the public interest. If the state board denies a petition, it must within 60 days specifically state the reasons for the denial, list all deficiencies with regard to Code Section 20-2-2063, and provide a written statement of the denial to the charter petitioner and to the local board.

~~(b)~~(c) No application for a state chartered special school may be made to the state board by a petitioner for a conversion charter school that has been denied by a local board. Upon denial of a petition for a start-up charter school by a local board and upon application to the state board by the petitioner, the state board shall approve the charter of a start-up charter petitioner for a state chartered special school if the state board finds after receiving input from the Charter Advisory Committee, that such petition meets the requirements set forth in Code Section 20-2-2063 and the provisions of this title, and is in the public interest."

SECTION 2-8.

Said article is further amended by revising Code Section 20-2-2065, relating to operating requirements, control, and management, as follows:

"20-2-2065.

(a) Except as provided in this article or in a charter, a charter school or for charter systems, each school within the system, shall not be subject to the provisions of this title or any state or local rule, regulation, policy, or procedure relating to schools within an applicable school system regardless of whether such rule, regulation, policy, or procedure is established by the local board, the state board, or the Department of Education; provided, however, that the state board may establish rules, regulations, policies, or procedures consistent with this article relating to charter schools. A waiver granted pursuant to this Code section for a charter system shall apply to each system charter school within the

1 system. In exchange for such a waiver, the charter school agrees to meet or exceed the
2 performance based goals included in the charter and approved by the local board or, for the
3 charter system, the system agrees to meet or exceed the system-wide performance based
4 goals included in the charter and approved by the state board, including but not limited to
5 raising student achievement. For a charter system, the charter shall delineate the
6 performance based goals that the system and each school will be expected to meet as well
7 as the criteria by which a system charter may be revoked in addition to those contained in
8 Code Section 20-2-2068.

9 (b) In determining whether to approve a charter petition or renew an existing charter, the
10 local board and state board shall ensure that a charter school, or for charter systems, each
11 school within the system, shall be:

12 (1) A public, nonsectarian, nonreligious, nonprofit school that is not home based,
13 provided that a charter school's nonprofit status shall not prevent the school from
14 contracting for the services of a for profit entity and that nothing in this Code section
15 shall preclude the use of computer and Internet based instruction for students in a virtual
16 or remote setting;

17 (2) Subject to the control and management of the local board of the local school system
18 in which the charter school is located, as provided in the charter and in a manner
19 consistent with the Constitution, if a local charter school;

20 (3) Subject to the supervision of the state board, as provided in the charter and in a
21 manner consistent with the Constitution, if a state chartered special school;

22 (4) Organized and operated as a nonprofit corporation under the laws of this state;
23 provided, however, that this paragraph shall not apply to any charter petitioner that is a
24 local school, local school system, or state or local public entity;

25 (5) Subject to all federal, state, and local rules, regulations, court orders, and statutes
26 relating to civil rights; insurance; the protection of the physical health and safety of
27 school students, employees, and visitors; conflicting interest transactions; and the
28 prevention of unlawful conduct;

29 (6) Subject to all laws relating to unlawful conduct in or near a public school;

30 (7) Subject to an annual financial audit conducted by the state auditor or, if specified in
31 the charter, by an independent certified public accountant licensed in this state;

32 (8) Subject to the provisions of Part 3 of Article 2 of Chapter 14 of this title, and such
33 provisions shall apply with respect to charter schools whose charters are granted or
34 renewed on or after July 1, 2000;

35 (9) Subject to all reporting requirements of Code Section 20-2-160, subsection (e) of
36 Code Section 20-2-161, Code Section 20-2-320, and Code Section 20-2-740;

(10) Subject to the requirement that it shall not charge tuition or fees to its students except as may be authorized for local boards by Code Section 20-2-133; and

(11) Subject to the provisions of Code Section 20-2-1050 requiring a brief period of quiet reflection."

SECTION 2-9.

Said article is further amended in Code Section 20-2-2066, relating to admission, enrollment, and withdrawal of students, by adding a new subsection as follows:

"(b.1) A charter system shall enroll students in its system charter schools per the terms of the charter and in accordance with state board rules."

SECTION 2-10.

Said article is further amended by revising Code Section 20-2-2067.1, relating to amendment of terms of charter for charter school, initial term of charter, and annual report, as follows:

"20-2-2067.1.

(a) The terms of a charter for a local charter school may be amended during the term of the charter upon the approval of the local board, the state board, and the charter school. The terms of a charter for a state chartered special school may be amended during the term of the charter upon the approval of the state board and the charter school. The terms of a charter for a charter system may be amended during the term of the charter upon approval of the state board and the local board.

(b) The initial term of a charter except for a charter system, shall be for a minimum of five years, unless the petitioner shall request a shorter period of time, and shall not exceed ten years. The local board and the state board, in accordance with Code Section 20-2-2064.1, may renew a local charter, upon the request of the charter school, for the period of time specified in the request, not to exceed ten years. The state board may renew a state chartered special school, upon the request of the school, for the period of time specified in the request, not to exceed ten years. The initial term of a charter for a charter system shall not exceed five years. The state board may renew the charter of a charter system, upon the request of the local board, for the period of time specified in the request, not to exceed ten years.

(c) ~~A~~ Each start-up and conversion charter school and each charter system shall submit an annual report outlining the previous year's progress to the authorizing local board or state board, as appropriate; to parents and guardians of students enrolled in the school, or, for a charter system, to parents and guardians of students enrolled in school within the local school system; and to the Department of Education no later than October 1 of each year. The report submitted by a charter system shall include, but not limited to, data on all of its system charter schools. The report shall contain, but is not limited to:

- 1 (1) An indication of progress toward the goals as included in the charter;
- 2 (2) Academic data for the previous year, including state academic accountability data,
- 3 such as standardized test scores and adequate yearly progress data;
- 4 (3) Unaudited financial statements for the fiscal year ending on June 30, provided that
- 5 audited statements will be forwarded to the local board and state board upon completion;
- 6 (4) Updated contact information for the school and the administrator, and for charter
- 7 systems, each system charter school and its respective administrator;
- 8 (5) Proof of current nonprofit status, if applicable; ~~and~~
- 9 (6) Any other supplemental information that the charter school or charter system chooses
- 10 to include or that the state board requests that demonstrates ~~its~~ that school or system's
- 11 success; and
- 12 (7) For charter systems, an on-site external evaluation of the system at least once every
- 13 five years, as determined by the state board."

14 SECTION 2-11.

15 Said chapter is further amended by revising Code Section 20-2-2068, relating to charter
16 amendments and terminations, as follows:

17 "20-2-2068.

18 (a) The state board may terminate a charter under the following circumstances:

19 (1)(A) If a majority of the parents or guardians of students enrolled at the charter
20 school vote by a majority vote to request the termination of its charter at a public
21 meeting called with two weeks' advance notice and for the purpose of deciding whether
22 to request the state board to declare the charter null and void; or

23 (B) If a majority of the faculty and instructional staff employed at the charter school
24 vote by a majority vote to request the termination of its charter at a public meeting
25 called with two weeks' advance notice and for the purpose of deciding whether to
26 request the state board to declare the charter null and void;

27 This paragraph shall not apply to system charter schools.

28 (2) If, after providing reasonable notice to the charter school or charter system, as
29 applicable, and an opportunity for a hearing, the state board finds:

30 (A) A failure to comply with any recommendation or direction of the state board with
31 respect to Code Section 20-14-41;

32 (B) A failure to adhere to any material term of the charter, including but not limited to
33 the performance goals set forth in the charter;

34 (C) A failure to meet generally accepted standards of fiscal management;

35 (D) A violation of applicable federal, state, or local laws or court orders;

(E) The existence of competent substantial evidence that the continued operation of the charter school or charter system would be contrary to the best interests of the students or the community; or

(F) A failure to comply with any provision of Code Section 20-2-2065; or

(3) Upon the written request of a local board for termination of a charter for a local charter school located within its school system if, prior to making such request, the local board provided reasonable notice to the charter school and an opportunity for a hearing, and determined the existence of any of the grounds described in paragraph (2) of this Code section.

(b) For a system charter school, if the school council or governing council, as applicable, at such school within the charter system requests that:

(1) The system charter be terminated; or

(2) The system charter be amended with respect to such system charter school:

the state board, after providing reasonable notice to the charter system and the system charter school, shall conduct a hearing. Based on the findings of the hearing, the state board may enter into negotiations with the charter system to amend the charter to address the concerns of the requesting system charter school. If negotiations fail and the state board finds good cause, the state board shall be authorized to terminate the system charter or to amend the system charter with respect to the requesting system charter school; provided, however, that the local board shall be authorized to terminate the system charter if it is unwilling to accept the amendments to such charter by the state board. 'Good cause' includes but is not limited to a local board's failure to comply with its obligations and duties under the system charter, state board rules, or other applicable law, or other good cause as determined in the sole discretion of the state board."

SECTION 2-12.

Said chapter is further amended in Code Section 20-2-2068.1, relating to application of the Quality Basic Education Formula, grants, local tax revenue, and funds from local bonds, by revising subsections (a) and (c) as follows:

"(a) A local charter school shall be included in the allotment of QBE formula earnings, applicable QBE grants, applicable non-QBE state grants, and applicable federal grants to the local school system in which the local charter school is located under Article 6 of this chapter. The local board and the state board shall treat a conversion charter school no less favorably than other local schools located within the applicable local school system unless otherwise provided by law. The local board and the state board shall treat a start-up charter school no less favorably than other local schools within the applicable local system with

1 respect to the provision of funds for instruction, ~~and school administration, and, where~~
2 ~~feasible~~, transportation, food services, and where feasible, building programs."

3 "(c) In addition to the earnings set out in subsection (b) of this Code section, local revenue
4 shall be allocated to a local charter school on the same basis as for any local school in the
5 local school system. In the case of a start-up charter school, local revenue earnings shall
6 be calculated as follows:

7 (1) Determine the total amount of state and local five mill share funds earned by students
8 enrolled in the local start-up charter school as calculated by the Quality Basic Education
9 Formula pursuant to Part 4 of Article 6 of this chapter including any funds for
10 psychologists and school social workers but excluding five percent of any system-wide
11 funds for central administration ~~and pupil transportation~~ and excluding any categorical
12 grants not applicable to the charter school;

13 (2) Determine the total amount of state and local five mill share funds earned by all
14 students in the public schools of the local school system, including any charter schools
15 that receive local revenue, as calculated by the Quality Basic Education Formula but
16 excluding categorical grants and other non-QBE formula grants;

17 (3) Divide the amount obtained in paragraph (1) of this subsection by the amount
18 obtained in paragraph (2) of this subsection; and

19 (4) Multiply the quotient obtained in paragraph (3) of this subsection by the school
20 system's local revenue.

21 The product obtained in paragraph (4) of this subsection shall be the amount of local funds
22 to be distributed to the local start-up charter school by the local board; provided, however,
23 that nothing in this subsection shall preclude a charter petitioner and a local board of
24 education from specifying in the charter a greater amount of local funds to be provided by
25 the local board to the local start-up charter school if agreed upon by all parties to the
26 charter. Local funds so earned shall be distributed to the local start-up charter school by
27 the local board. Where feasible and where services are provided, funds for ~~transportation,~~
28 ~~food service programs, and~~ construction projects shall also be distributed to the local
29 start-up charter school as earned. In all other fiscal matters, including applicable federal
30 allotments, the local board shall treat the local start-up charter school no less favorably than
31 other local schools located within the applicable school system and shall calculate and
32 distribute the funding for the start-up charter school on the basis of its actual or projected
33 enrollment in the current school year according to an enrollment counting procedure or
34 projection method stipulated in the terms of the charter."

SECTION 2-13.

Said chapter is further amended in Code Section 20-2-2068.1, relating to application of the Quality Basic Education Formula, grants, local tax revenue, and funds from local bonds, by adding a new subsection to read as follows:

"(h) For system charter schools, funds including federal, state, and local revenue shall be distributed to each such school by the charter system in a manner and in such amounts as are provided in the terms of the charter with an objective of maximizing spending at the school level."

SECTION 2-14.

Said chapter is further amended by revising Code Section 20-2-2069, relating to the Office of Charter School Compliance, as follows:

"20-2-2069.

There is established within the Department of Education an Office of Charter School Compliance, the responsibilities of which shall be to:

- (1) Prepare charter school and charter system guidelines to be approved by the state board;
- (2) Distribute charter school and charter system petition information to inquiring parties;
- (3) Process all charter school and charter system petitions and coordinate with the Charter Advisory Committee established pursuant to Code Section 20-2-2063.1 to facilitate its review and recommendations to the state board ~~for consideration by the state board;~~
- (4) Administer any state or federal charter school implementation grant program;
- (5) Contract with an independent party to evaluate the performance of charter schools and charter systems, as such performance relates to fulfilling the terms of their charters; and
- (6) Compile information necessary to produce the annual report required by Code Section 20-2-2070."

PART III**SECTION 3-1.**

All laws and parts of laws in conflict with this Act are repealed.